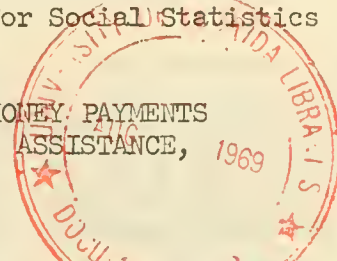


U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Social and Rehabilitation Service
National Center for Social Statistics

STATE MAXIMUMS AND OTHER METHODS OF LIMITING MONEY PAYMENTS
TO RECIPIENTS OF THE SPECIAL TYPES OF PUBLIC ASSISTANCE,
OCTOBER 1968



This release provides information on State maximums and other methods of limiting money payments to recipients of old-age assistance (OAA), aid to the blind (AB), aid to the permanently and totally disabled (APTD), and aid to families with dependent children (AFDC) that were in effect in October 1968. 1/

Since October 1958, Federal participation in assistance payments under these federally aided categorical programs has been defined in terms of the average monthly payment per recipient, up to specified maximums, multiplied by the number of recipients. For each program, the maximum average payment per recipient subject to Federal participation is divided into two parts, with the Federal share being uniform for all States for the first part, and being varied in accordance with States' fiscal capacities for the second. The current formulas for Federal participation, which are applicable to the combined total of money payments to recipients and medical vendor payments on their behalf when the latter are made within the categorical program, are described in greater detail in an appendix to this statement.

State Maximums on Assistance Payments

Although the averaging principle has been used in defining maximums subject to Federal participation since 1958, in October 1968 no State was applying maximums to the average monthly payment per recipient under its public assistance programs. 2/ For each of the special types of public assistance, however, a substantial number of States had maximums on individual monthly money payments to recipients or to families. The number of States applying such maximums as of October 1968 was as follows: OAA, 24; AB, 24; APTD, 21; and AFDC, 27. Some States make exceptions to

1/ In this release, information pertaining to specified types of recipients under State programs for aid to aged, blind, or disabled persons is classified with information for separate State programs for OAA, AB, or APTD, respectively.

2/ California provides in respect to APTD that total payments to recipients in a fiscal year must not exceed an average of \$112 per recipient per month; payments for any particular month, however, are not limited on either an average or individual basis.

their maximums when recipients require medical care or have other special needs, and in some States maximums are sufficiently high that payments are limited only in a few instances. Since the usual State maximums shown in tables 1 and 2 relate to money payments to recipients, they exclude all types of medical vendor payments on behalf of recipients, including premium or per capita payments for this purpose.

Reductions in Assistance Payments

When States are unable to meet need as determined under their standards they reduce payments on a percentage or flat reduction basis (table 3). These limitations may be used in the absence of, or in conjunction with, legal or administrative maximums. A maximum limits the amount of assistance that may be paid to persons whose determined need exceeds that maximum, whereas percentage or flat reductions usually have the effect of lowering payments to most or all recipients to a level below that of determined need. In October 1968, percentage or flat reductions were being applied to monthly payments by 11 States, under 18 programs. Two States applied such reductions to all four programs; one, to AFDC and APTD; and eight to AFDC only.

State Differences in Levels of Assistance Standards

In those States which do not apply maximums or other limitations on amounts of money payments to recipients, the amounts of assistance needy persons can receive are limited, of course, by the total cost of the living requirements defined as necessary by the States to maintain the assistance levels of living established for specified individuals and families. The Social Security Act requires, in general, that an individual's income and resources must be considered in determining his need, but does not specify a standard or level of living to be used by States in administering their assistance programs. Each State, therefore, establishes its own standard by which eligibility for financial assistance and the amount of the money payment are determined. Among the States, there is wide variation in respect to the dollar level of the cost of assistance standards. Because of these circumstances, it is possible that a State with a maximum on or a reduction in assistance payments, but having a high assistance cost standard, may provide a substantially higher level of assistance to needy persons than a State meeting determined need in full under a lower cost standard. Interstate comparisons in respect to maximums and other limitations on assistance payments must therefore also take account of the levels of assistance cost standards.

Appendix Regarding Formulas for Federal Participation in Assistance Payments Under Money Payment Programs

Adult programs

Under the Public Welfare Amendments of 1965, effective January 1, 1966, the Federal share of assistance payments for OAA, AB, and APTD is $31/37$ of the first \$37 of the average monthly payment per recipient, multiplied by the number of recipients, and from 50 to 65 percent (depending on the State's fiscal capacity as measured by per capita income) of that part of the State's average assistance payment that exceeds \$37 (excluding any part of the average payment in excess of \$75), multiplied by the number of recipients. The maximum subject to Federal participation under both parts of the formula is \$75 times the number of recipients. For OAA, there is a provision for additional Federal participation based on vendor payments for medical care in States that do not have a medical assistance program under title XIX of the Social Security Act.

AFDC


The matching formula for the program of AFDC is similar in structure to the formulas for the other programs but the Federal share of the first part of the formula is $5/6$ of the first \$18 of the average monthly payment per recipient, and the maximum amount subject to Federal participation is \$32 times the number of recipients.

Guam, Puerto Rico, and the Virgin Islands

For Guam, Puerto Rico, and the Virgin Islands, the matchable average payment is \$37.50 per recipient in OAA, AB, and APTD; and \$18 per recipient in AFDC. For these jurisdictions, the provision for relating part of the Federal share to the fiscal capacity of the States does not apply. The Federal share is 50 percent of total payments within the specified maximums. There is also a limitation on the total amount of Federal funds that can be paid annually, excluding a medical assistance program under title XIX of the Social Security Act and the cost of administration, social services, and staff development chargeable to the medical assistance program.

Payments to medical vendors

As of January 1969, 43 States and other jurisdictions made payments to medical vendors through a medical assistance program under title XIX of the Social Security Act. These States and other jurisdictions had the option of using the formulas described above for money payments or of applying the Federal medical assistance percentage, as promulgated by the Secretary of the Department of Health, Education, and Welfare, to the full amount of the money payments under all the categories of OAA, AB, APTD, AABD, and AFDC without regard to any Federal maximum on the average monthly payment per recipient.



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Tabla 1.--Old-age assistance, aid to the blind, and aid to the permanently and totally disabled: Usual maximums on money payments and exceptions to such maximums, States having maximums under one or more of these programs, October 1968

State	Usual maximum per month for one recipient			Payments may exceed usual maximum for 1/--
	Old-age assistance	Aid to the blind	Aid to the permanently and totally disabled	
Alabama.....	\$88	\$75	2/ \$79	A and D--Personal care in licensed home. D--Special needs.
Alaska.....	200	200	200	---
Arizona.....	85	90	80	---
Recipient living with self-supporting relative.....	65	---	---	---
Arkansas.....	85	85	85	---
California.....	185	190	(3/)	A, B, and D--Attendant services in own home--to \$300.
Colorado.....	126	(4/)	(4/)	---
Delaware.....	100	125	(4/)	B--Special needs.
Florida.....	5/ 75	5/ 75	5/ 75	---
Georgia.....	82	82	82	---
Indiana.....	80	95	80	A, B, and D--Medical care.
Louisiana.....	6/ 89	101	66	Special care--to \$119, (\$224, if needs of disabled spouse under age 65 are included and both receive special care).
Each of two or more recipients	6/ 83	---	---	B--Special care--to \$113. D--Special diet--to \$95; inclusion of 2 or more persons in the budget group--to \$85; special care--to \$113.
Maine.....	115	115	115	A--Special care--to \$119.
Maryland.....	7/ 250	7/ 250	7/ 250	A, B, and D--Nursing home care--to \$135.
Mississippi.....	50	50	50	A, B, and D--Special items in emergency situations and rent supplementation from local funds in Montgomery County.
Missouri.....	80	85	75	---
New Hampshire.....	115	115	115	A, B, and D--Completely bedfast and totally disabled recipients and persons in domiciliary homes--to \$110; persons in practical nursing homes--to \$125.
Oklahoma.....	122	122	122	A, B, and D--Care in nursing home, convalescent home, county hospital; nursing care in own home; restaurant meals; special diets; telephone for health reasons.
Two recipients.....	196	196	196	---
Pennsylvania.....	(4/)	8/ 105	(4/)	B--Care in nursing home.
South Carolina.....	75	85	75	A, B, and D--Recipients in boarding institutions--to \$100.
Tennessee.....	90	90	90	A, B, and D--Special needs--to \$100.
Texas.....	110	96	84	---
Utah 9/.....	86	86	86	A, B, and D--Special needs.
Washington.....	325	325	325	---
West Virginia 2/.....	10/ 165	10/ 165	10/ 165	A, B, and D--Nursing home care, custodial care, room and board, laundry, and special diet.
Wyoming.....	100	100	100	---
Two recipients.....	170	170	170	---

1/ "A" signifies old-age assistance; "B," aid to the blind; and "D," aid to the permanently and totally disabled.

2/ See table 3.

3/ Total payments in fiscal year limited to statewide average of \$112 per recipient per month.

4/ No maximum on money payments.

5/ \$135 when accepted for Demonstration Project on Foster Home Care which is limited to a maximum of 300 cases.

6/ \$60 additional if recipient has needy spouse under 65 years of age.

7/ Represents maximum in higher of two cost areas in State; other maximum is \$240.

8/ Represents maximum for Federal-State program; does not apply to State blind pension program administered under State Law without Federal participation.

9/ Maximums for all assistance cases including 2-14 persons as follows: \$138, \$163, \$185, \$205, \$226, \$246, \$260, \$274, \$288, \$302, \$316, \$330, and \$344.

10/ Represents family maximum.

Table 2.--Aid to families with dependent children: Usual maximums on money payments and exceptions to such maximums, States having maximums, October 1968

State	Usual maximum per month for--					Payments may exceed usual maximum(s) for--
	Adults		First child	Each additional child	Family	
	First	Second				
Alabama 1/.....	---	---	\$40	\$25	\$140	---
Alaska:						
With adult.....	---	---	105	40	---	Training course approved by the agency.
No adult.....	---	---	50	40	---	---
Arizona.....	---	---	80	27	2/220	---
Arkansas:						
With adult(s)....	\$5	\$5	60	10	130	---
No adult.....	---	---	60	10	120	---
California:						
With 2 adults....	---	---	166	25-48-43-36-31-24-19-12-7-6-7-6-7-6	---	Special needs if paid from local funds.
With 1 or no adult	---	---	148	24-49-42-37-30-25-18-13-6-7-6-7-6-6	---	
Colorado 1/:						
With 2 adults....	---	64	26	26-26-26-21	---	Shelter and utilities, which are subject to separate maximums that vary among three geographical zones of State.
With 1 adult.....	34	---	26	26-26-26-26-21	---	
No adult.....	---	---	26	26-26-26-26-21	---	
Delaware:						
With adult(s)....	50	50	75	12-12-12-10-10-10-9	250	---
No adult.....	---	---	75	12-12-12-10-10-10-9	150	---
Georgia.....	29	29	38	29	154	---
Indiana:						
With adult.....	---	3/ 25	100	25	---	Medical care.
No adult.....	---	---	50	25	---	
Kentucky 1/.....	---	---	---	---	4/260	---
Louisiana.....	---	(5/)	80	19-17-17-12-18	163	Special needs, medical or dietetic--to \$168. Special medical allowance for ill or handicapped child--to \$263.
Maine:						
With 2 adults....	40	6/ 40	30	27	7/250	---
With 1 adult.....	40	---	40	30-27	7/250	---
No adult.....	---	---	40	30-27	7/250	---
Maryland.....	---	---	---	---	8/250	Special items in emergency situations, demonstration projects in Baltimore City and Baltimore County, and rent supplementation from local funds in Montgomery County.
Mississippi 1/.....	---	---	25	15-10	90	---
Missouri.....	9/33	---	43	24	---	Completely bedfast and totally disabled recipients and persons in domiciliary homes--to \$110; persons in practical nursing homes--to \$125.
Nebraska.....	---	---	110	30-30-10	---	---
Nevada.....	31	---	31	31	---	20 percent of unmet need.
New Mexico 1/.....	---	---	---	---	190	---
Oklahoma.....	(4/)	(4/)	(4/)	(4/)	277	---
South Carolina.....	15	---	30	21	125	---
Tennessee:						
With adult.....	45	---	45	15	150	---
No adult.....	---	---	45	15	135	---
Texas:						
With adult.....	---	---	60	21	123	---
No adult.....	---	---	34	21	118	---
Utah.....	(4/)	(4/)	(4/)	(4/)	---	Special needs.
Virginia 1/.....	---	---	---	---	225	Medical care and guardianship costs. Special needs if paid from local funds.
Washington.....	---	---	---	---	325	Prevention of undue hardship.
West Virginia 1/....	---	---	---	---	165	Custodial care, transportation, clothing for work, laundry, and special diet.
Wyoming.....	(4/)	(4/)	(4/)	(4/)	230	---

1/ See table 3.

2/ Represents maximum of grant plus income for three or more persons in household; \$155 if two in household.

3/ Only if incapacitated.

4/ Maximums expressed in terms of number of persons in assistance unit as follows: for Kentucky, from 1-6 persons--\$220 and \$180, 7 or more persons--\$260 and \$220, in industrial counties and "all other counties," respectively; for Oklahoma, from 1-9 or more--\$35, \$120, \$150, \$175, \$200, \$220, \$239, \$255, \$277; for Utah, for all assistance in cases of 1-14 persons--\$86, \$138, \$163, \$185, \$205, \$226, \$246, \$260, \$274, \$288, \$302, \$316, \$330, \$344; and for Wyoming, 1--\$100, 2--\$170, 3-4--\$200, 5, 6, 7--\$215, 8 or more--\$230.

5/ If both parents (or parent substitutes) are included in assistance unit, the second parent only is given same consideration as an additional child in determining applicable maximum.

6/ The needs of the second adult can be included only if this adult is a parent.

7/ Assistance plus other income can not exceed \$300.

8/ Represents maximum in higher of two cost areas in State; other maximum is \$240.

9/ When there is an employable person in the household, payment is limited to maximum based on number of eligible children in the case.

Table 3.--Special types of public assistance: Method of reducing money payments to recipients, by program,
States making such reductions, October 1968

State	Old-age assistance	Aid to the blind	Aid to the permanently and totally disabled	Aid to families with dependent children	Reduction not applicable to amounts for <u>1</u> --
Payment plus other income represents specified percent of requirements					
Colorado.....	---	---	---	75.0	---
South Dakota.....	---	---	---	95.0	---
Virginia.....	---	---	---	90.0	C--Requirements other than food, clothing, personal care, household supplies, school supplies, and insurance.
West Virginia....	65.0	65.0	65.0	65.0	A, B, and D--Nursing home care, custodial care, room and board, laundry, and special diet. C--Child care, transportation and clothing for work, laundry, and special diet.
Payment represents specified percent of budget deficit (requirements minus income)					
Alabama.....	---	---	58.0	50.0	C and D--Exceptional need.
Florida.....	---	---	---	65.0	---
Iowa.....	---	---	---	95.0	---
Kentucky.....	---	---	---	86.5	---
Mississippi.....	---	---	---	27.0	C--Care in boarding school or special educational institution.
New Mexico.....	---	---	---	95.0	---
Puerto Rico.....	33.0	33.0	33.0	33.0	---

1/ "A" signifies old-age assistance; "B," aid to the blind; "C," aid to families with dependent children; and "D," aid to the permanently and totally disabled.

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